

Maryland Energy

ADMINISTRATION

Powering Maryland's Future

JANE E. LAWTON CONSERVATION LOAN PROGRAM
PROGRAM UPDATE

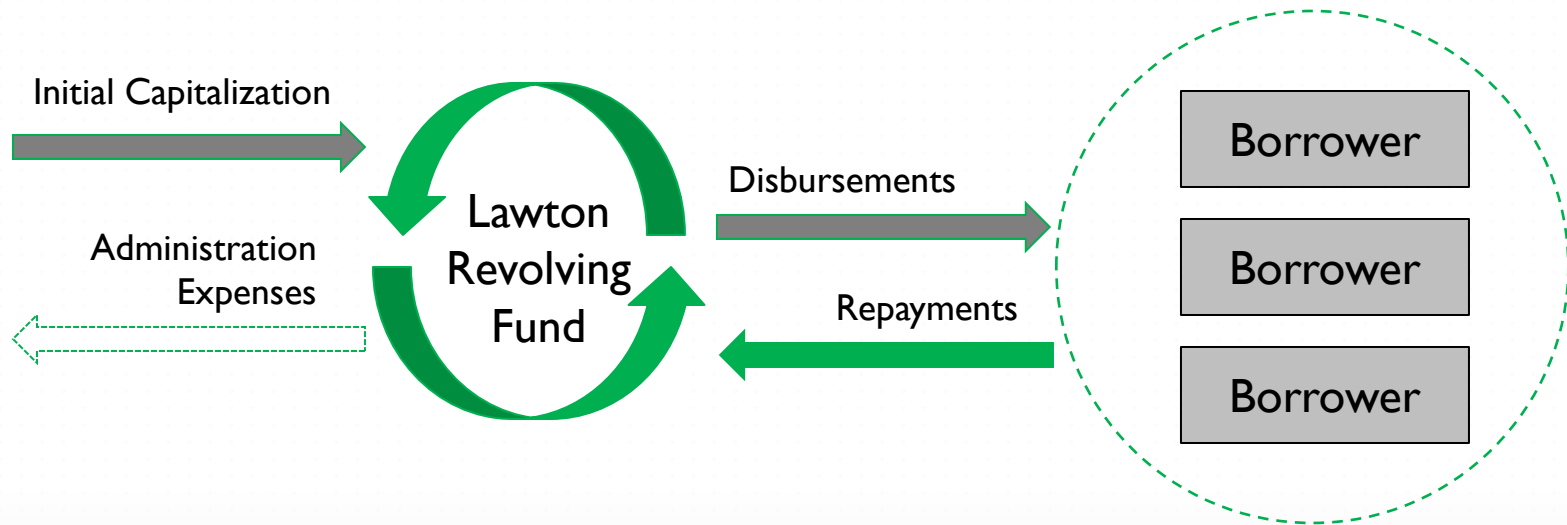
FISCAL YEAR 2017 (JULY 1, 2016, TO JUNE 30, 2017)

<http://energy.maryland.gov/>

(410) 537-4000

THE JANE E. LAWTON CONSERVATION LOAN PROGRAM —OVERVIEW

- ▶ The Lawton Loan Program is a “revolving fund”—an original investment that has been recycled over time for many borrowers



- ▶ Loan #1 repayments become capital for Loan #2, which becomes loan capital for Loan #3, etc.
- ▶ Interest charges and fees sustain program over time

LAWTON LOAN PROGRAM—BACKGROUND

- ▶ Low-interest (2% in FY2017) loans for energy efficiency and conservation improvements to structures
- ▶ Local governments, non-profit organizations, and businesses may apply
- ▶ Addresses up-front costs associated with energy efficiency investments; provides funding on a shared-cost basis
 - ▶ Complements local, State, and utility programs to ensure maximum returns on investment in energy efficiency
 - ▶ Revolving funding into new loans ensure future program sustainability

ENTITIES ELIGIBLE TO APPLY FOR LAWTON LOANS

- ▶ **Local governments**
 - ▶ Counties
 - ▶ Municipalities
 - ▶ Boards of Education
 - ▶ Special districts
- ▶ **Non-profit organizations**
 - ▶ Foundations
 - ▶ Private schools
 - ▶ Hospitals
- ▶ **Businesses**
 - ▶ Maryland corporations
 - ▶ Other corporations registered to do business in Maryland

State agencies may be eligible for funding through MEA's State Agency Loan Program (SALP).

Local governments, non-profit organizations, and businesses may be eligible for grants for certain renewable energy projects.

Residents may be eligible for grants for certain renewable projects or rebates and loans for certain energy efficiency improvements.

ENERGY PROJECTS ELIGIBLE FOR LAWTON LOAN FINANCING

- ▶ *Project: One or more improvements or modifications that enhance the energy efficiency and reduce the operating expenses of a structure located in Maryland*
- ▶ Applicants must document that projects meet cost-effectiveness requirements

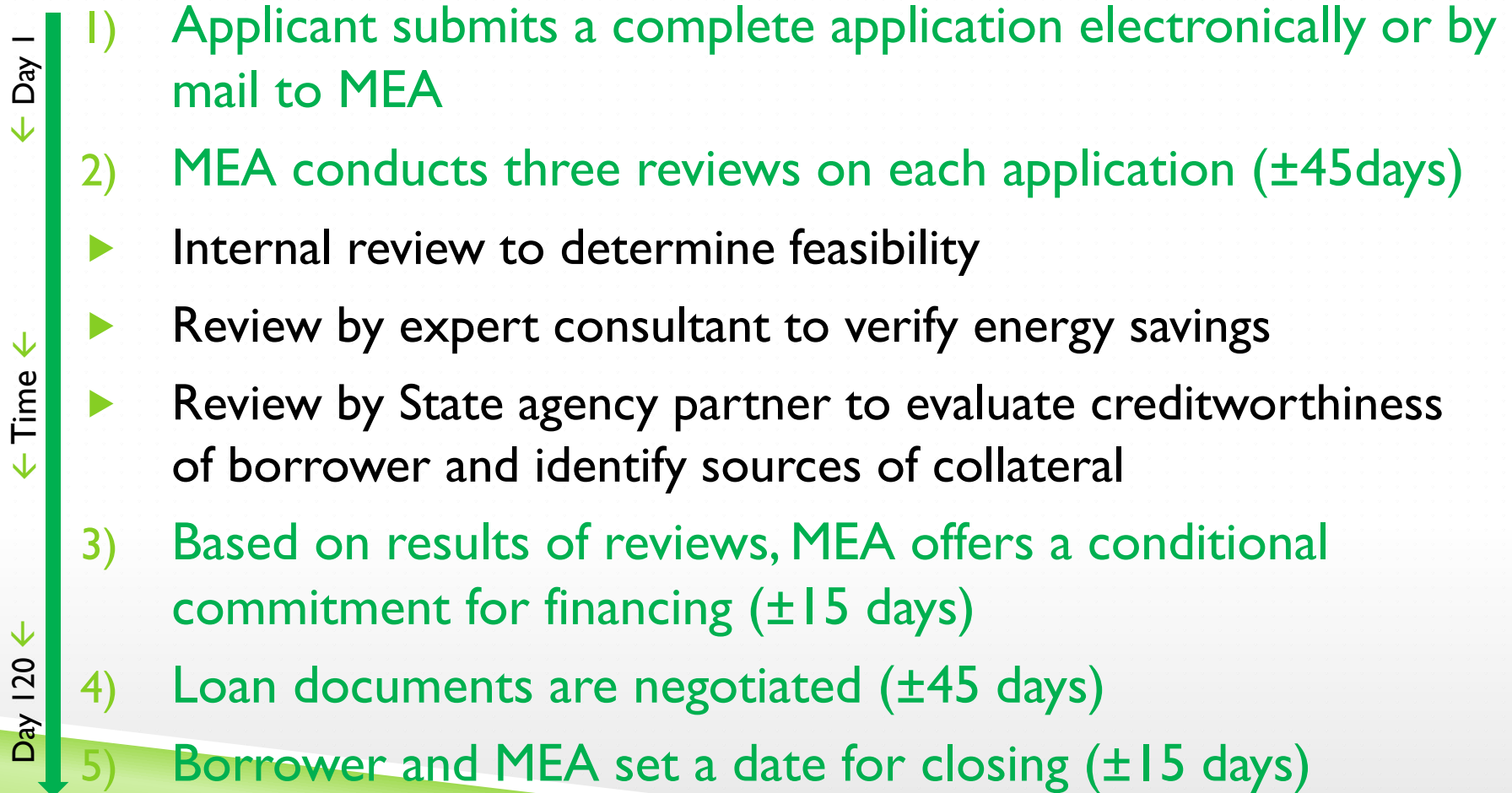
$$\frac{\text{Total Proposed Project Cost}}{\text{Total Annual Anticipated Energy Savings}} = \text{Simple Payback}$$

- ▶ Anticipated energy savings: *Actual reductions in annual operating expenses resulting from the installation, operation, and maintenance of a project*
- ▶ Projects must achieve a simple payback of 10 years or less

LAWTON LOAN PROGRAM APPLICATION REQUIREMENTS

- ▶ All applicants must submit a completed application and all required supporting documents
- ▶ Completed applications must include:
 - ▶ Total proposed project costs
 - ▶ Total annual anticipated energy savings, certified by a qualified engineer
 - ▶ Annual cost savings estimates
 - ▶ List of other contributions (e.g., utility rebates)
 - ▶ Financial information to determine creditworthiness
 - ▶ Certificate of Good Standing with the State

LAWTON APPLICATION PROCESS AND TIMELINE



FY2016 LAWTON LOAN PROGRAM TERMS

- ▶ Total program budget of \$1.5 million
- ▶ 2% interest
- ▶ Applications for FY2017 will be accepted beginning July 30, 2016
 - ▶ \$500,000 of the total program budget will be specially reserved for non-profit organizations until August 31, 2016
 - ▶ Beginning September 1, 2016, all available funding will be loaned on a first-come, first-served basis with special emphasis given to projects that will generate greater energy savings
 - ▶ Commitments will be issued beginning August 3, 2016
 - ▶ Closings will be scheduled beginning September 1, 2016
 - ▶ Applications will be accepted until the funding is exhausted or June 30, 2017, whichever comes first

RECENT SUCCESSFUL PROJECTS FINANCED WITH LAWTON LOANS

- ▶ In FY2012, a business borrowed \$68,000 to replace a heating system and implement lighting upgrades
 - ▶ Annual electricity savings will be about 105,000 kilowatt-hours (kWh) and natural gas savings will be almost 4,700 therms
 - ▶ Annual cost savings will be nearly \$18,000
- ▶ In FY2013, a non-profit museum borrowed \$180,000 for new heating and cooling equipment and LED lighting
 - ▶ Annual electricity savings will be over 210,000 kWh
 - ▶ Annual cost savings will be almost \$30,000
- ▶ In FY2014, a condominium association borrowed \$260,000 for new energy efficiency equipment
 - ▶ Annual electricity use will be reduced by nearly 365,000 kWh
 - ▶ Annual energy cost savings will be over \$35,000
- ▶ In FY2015, a manufacturing facility borrowed \$342,640 for new energy efficiency equipment
 - ▶ Annual electricity use will be reduced by nearly 491,030 kWh
 - ▶ Annual energy cost savings will be over \$56,083



For more information, visit MEA online at:
<http://energy.maryland.gov/govt/janeelawton.html>